

Key Assumptions

Line No	Capital Structure	2019			2020			2021		
		Rate	Ratio	Cost	Rate	Ratio	Cost	Rate	Ratio	Cost
1										
2	Capital Structure									
3	Long Term Debt									
4	Short Term Debt									
5	Preferred Stock									
6	Common Equity *									
7	Required Rate of Return									
8	(Cost of Equity from Settlement in Docket EL14-058)									
9										
10	Property Tax Rates									
11	Property Tax Rate			0.000%			0.000%			0.000%
12										
13	Income Tax Rates									
14	Federal Tax Rate			21.00%			21.00%			21.00%
15	State Tax Rate			0.00%			0.00%			0.00%
16	Company Composite Income Tax Rate			28.1092%			28.1092%			28.1092%
17										
18	OATT									
19	Total Cost of Capital			0.00%			0.00%			0.00%
20	Equity Gross-Up Rate			26.58%			26.58%			26.58%
21	Equity Gross-Up									
22	Total Cost of Capital incl Gross-Up for Taxes - Annual Rate			8.27%			8.14%			8.18%
23	Rate for Carrying Charge			0.6641%			0.6541%			0.6577%
24										
25	Annual OATT Credit Factor			28.13% (1)			22.25%			25.75%
26										
27	Annual SD RECB Amount (\$)			4,989,894 (1)			4,679,533			5,152,366
28										
29	Allocators									
30	SD 12-month CP demand (Electric Demand)			6.6783% (1)			6.6121%			6.8297%
31	NSPM 36-month CP demand (Interchange Electric)			83.8864% (1)			83.7498%			83.8210%
32	Jurisdictional Allocator			5.6022% (1)			5.5376%			5.7247%

(1) Amounts vary slightly from the prior year 2019 assumptions due to updated information. The 2019 assumptions reported last year were based on 6 months of actuals and 6 months of forecast, whereas this year it is based on 12 months of actuals